

**Record of Determinations: Panel Meeting, 18 October 2012**

Modification	Vote Outcome	Shipper Voting Members					Transporter Voting Members					Consumer Representative	Determination Sought	
		AG	CWr	JL	(AG) PB	RF	CWa	DM	JF	RH	RCH	ER		
0435 - Arrangements to better secure firm gas supplies for GB customers	To be considered at short notice - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Consider at short notice
0433 – Inclusion of the Transmission to Distribution “System Operator Agreement Guidelines” within the Offtake Arrangements Document	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	Is a Self-Governance Modification - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Modification should follow Self-Governance Procedures
	Proposed self-governance determination date is 20 January 2013 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Proposed self-governance determination date to be 20 January 2013
	Issued to Workgroup 0433 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup
	Workgroup to report by the January 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the January 2013 Panel
0434 – Project Nexus – Retrospective Adjustment	Not related to the Significant Code Review - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Modification is related to Significant Code Review
	Is not a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0434 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup
	Workgroup to report by the March 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the March 2013 Panel
0435 - Arrangements to better secure firm gas supplies for GB customers	Is related to the Significant Code Review - with 9 votes in favour against and 1 abstention	✓	NV	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Modification is related to Significant Code Review
	Is not a Self-Governance Modification - unanimous vote against	X	X	X	X	X	X	X	X	X	X	X	X	Modification should follow Self-Governance Procedures
	Issued to Workgroup 0435 - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Should be referred to Workgroup

	Workgroup to report by the April 2014 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by the April 2014 Panel
0407 – Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users	Returned to Workgroup - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Further assessment required
	Workgroup to report by February 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by February 2013 Panel
0407 – Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users	Legal text to be prepared - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request the provision of Legal text
0410 – Responsibility for gas off-taken at Unregistered Sites following New Network Connections	Legal text to be prepared - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request the provision of Legal text
0410A – Responsibility for gas off-taken at Unregistered Sites following New Network Connections	Legal text to be prepared - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request the provision of Legal text
0418 – Review of LDZ Customer Charges	Legal text to be prepared - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request the provision of Legal text
0421 – Improve AQ Performance	Legal text to be prepared - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request the provision of Legal text
0430 – Inclusion of data items relevant to smart metering into existing industry systems	Legal text to be prepared - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request the provision of Legal text
0433 – Inclusion of the Transmission to Distribution “System Operator Agreement Guidelines” within the Offtake Arrangements Document	Legal text to be prepared - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Request the provision of Legal text
0379 – Provision for an AQ Review Audit	Returned to Workgroup - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Further assessment required
	Workgroup to report by January 2013 Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by January 2013 Panel
0421 – Improve AQ Performance	Returned to Workgroup - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Further assessment required
	Workgroup to report by November Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by November Panel

0425 - Re-establishment of Supply Meter Points – Shipperless sites	Workgroup to report by January Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by January Panel
0429 - Customer Settlement Error Claims Process	Workgroup to report by January Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by January Panel
0430 - Inclusion of data items relevant to smart metering into existing industry	Workgroup to report by January Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by January Panel
04315 - Shipper/Transporter - Meter Point Portfolio Reconciliation	Workgroup to report by January Panel - unanimous vote in favour	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Workgroup to report by January Panel

<b>KEY</b>	In favour	Not in Favour	No Vote Cast	Not Present
	✓	X	NV	NP

**Attendees**

**Voting Members:**

Shipper Representatives	Transporter Representatives	Consumer Representative
A Green (AG), Total and alternate for P Broom, GDF Suez C Wright (CWr), British Gas J Linton (JL), First Utility R Fairholme (RF), EON UK	C Warner (CWA), National Grid Distribution D Mitchell (DM), Scotia Gas Networks J Ferguson (JF), Northern Gas Networks R Cameron-Higgs (RCH), Wales & West Utilities R Hewitt (RH), National Grid NTS	E Reed (ER), Consumer Focus

**Non-Voting Members:**

Ofgem Representative	Terminal Operators' Representative	Chairman
		T Davis (TD), Joint Office

**Also in Attendance:**

A Chamberlain (AC), National Grid Distribution; A Miller (AM), Xoserve; A Miller (AMi), Centrica Storage; A Raper (AR), National Grid Distribution; D Ianora (DI), Ofgem; E Carr (EC), ScottishPower; H Cuin (HC), Joint Office and R Fletcher (RF), Panel Secretary

## **Record of Discussions**

### **130.1 Note of any alternates attending meeting**

A Green for P Broom (GDF Suez)  
D Mitchell for A Musgrave (Scotia Gas Networks)  
J Linton for C Hill (First Utility)  
R Cameron-Higgs for S Edwards (Wales & West Utilities)

### **130.2 Record of Apologies for absence**

A Musgrave, C Hill, P Broom and S Edwards.

### **130.3 Minutes of the Last Meeting**

The minutes of the last meeting were approved.

### **130.4 Short Notice Items**

- a) Modification 0435 - Arrangements to better secure firm gas supplies for GB customers

Following a short discussion, the Panel determined to consider the Final Modification Report at short notice.

### **130.5 Consider New, Non-Urgent Modifications**

- a) Modification 0433 – Inclusion of the Transmission to Distribution “System Operator Agreement Guidelines” within the Offtake Arrangements Document

AC introduced the modification and its aims. This modification will ensure the guidelines follow appropriate governance in future.

For Modification 0433, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are met as this modification does not have a material impact on parties or competition;
- The Proposed Self-Governance determination date is 20 January 2013;
- Workgroup Assessment is required, with a report presented to Panel by January 2013.

- b) Modification 0434 – Project Nexus – Retrospective Adjustment

CWa introduced the modification and its aims, confirming that it is one of a number of modifications required to seek the implementation of Project

Nexus requirements. RH asked if Gemini impacts could be considered by the Workgroup. ER asked if the retrospective changes would flow through to consumers, if so could reporting arrangements and impacts on consumers be considered during the assessment. AM challenged that if the modification is just systematising existing processes should it follow Self-Governance procedures?

For Modification 0434, Members determined:

- The modification is not related to the Significant Code Review as it is not a related subject;
- The criteria for Self-Governance are not met as this modification may have a material impact on consumers;
- Workgroup Assessment is required, with a report presented to Panel by March 2013.

- c) Modification 0435 - Arrangements to better secure firm gas supplies for GB customers

CWr introduced the modification and its aims. TD asked if this modification is related to the Significant Code Review (SCR), if so the Modification Rules suggest it should only be raised with permission from Ofgem. DI confirmed that, in Ofgem's view, this modification is related to the SCR. However, they were willing to allow the modification to continue until they have considered whether it should be suspended. TD asked if there is a timeline to ensure there is no wasted development time should it be suspended. DI did not have a view on timescales.

ER asked if Ofgem would be considering the impacts of this modification during the SCR consultation. DI advised that this will be part of their review and any development work will not be wasted, as it will be useful to discuss the topic in an industry forum. RH advised that National Grid NTS were willing to support the development of the modification.

For Modification 0435, Members determined:

- The modification is related to the Significant Code Review as it is a related subject;
- The criteria for Self-Governance are not met as this modification is likely to have a material impact on parties;
- Workgroup Assessment is required, with a report presented to Panel by April 2013

### **130.6 Consider Legal Text**

- a) Modification 0407 – Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users

RH advised that National Grid NTS analysis should be available in mid November. RCH advised that Wales & West Utilities analysis is available for presentation and other DNOs should have equivalent analysis available during November.

For Modification 0407 members determined:

- Further Workgroup Assessment is required, looking at the analysis provided, with a report presented to Panel by February 2013.

b) Amendments to the Provision of Legal Text

TD explained the recent amendments to the Modification Rules for requesting text. He suggested that Members consider whether text should be requested for all live modifications. CWa felt that a number of the live modifications were not sufficiently developed for text to be provided and Panel should exercise their judgement on which should be requested.

Members determined unanimously to request the provision of text for the following:

- Modification 0433 – Inclusion of the Transmission to Distribution “System Operator Agreement Guidelines” within the Offtake Arrangements Document;
- Modification 0430 – Inclusion of data items relevant to smart metering into existing industry systems;
- Modification 0421 – Improve AQ Performance;
- Modification 0418 – Review of LDZ Customer Charges;
- Modification 0410 – Responsibility for gas off-taken at Unregistered Sites following New Network Connections;
- Modification 0410A – Responsibility for gas off-taken at Unregistered Sites following New Network Connections;
- Modification 0407 – Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users.

### **130.7 Consider Workgroup Issues**

#### **Workgroup Reports for Consideration**

a) Modification 0379 – Provision for an AQ Review Audit

RH asked if the ROM should be superseded with a DCA to firm up the costs of implementation – would Shippers like to see this given the range quoted? AG felt this would be a sensible approach. AM advised that a DCA would delay the process and add extra cost – in his view, a ROM is produced to allow a business case to be developed and define the benefits in light of the potential implementation costs. He suggested it may be more beneficial if the Workgroup were asked to consider and demonstrate how the benefits compare with the costs set out in the ROM. Members agreed the Workgroup should be asked to consider if the benefits stack up against the ROM costs and whether a DCA is required.

Members accepted the recommendation in the Workgroup Report and determined that for Modification 0379:

Further Workgroup Assessment is required, with a report presented by the January Panel.

b) Modification 0421 – Improve AQ Performance

RH asked for a number of repetitions in the solution to be considered, in order to ensure the Modification and text align. Members agreed it would be beneficial for the Workgroup to consider the text prior to the November Panel meeting.

Members accepted the recommendation in the Workgroup Report and determined that for Modification 0421:

Further Workgroup Assessment is required, with a report presented by the November Panel.

### **Consideration of Workgroup Reporting Dates**

Members determined unanimously to extend the date by which a number of Workgroups should report:

- a) Modification 0425 - Re-establishment of Supply Meter Points – Shipperless sites is to report to the January 2013 Panel.
- b) Modification 0429 - Customer Settlement Error Claims Process is to report to the January 2013 Panel.
- c) Modification 0430 - Inclusion of data items relevant to smart metering into existing industry system is to report to the January 2013 Panel.
- d) Modification 0431S - Shipper/Transporter - Meter Point Portfolio Reconciliation is to report to the January 2013 Panel.

### **130.8 Existing Modification Proposals for Reconsideration**

None.

### **130.9 Consider Final Modification Reports**

None.

### **130.10 Any Other Business**

a) Codes Governance Review Phase 2

DI provided an overview of the aims of the second phase of the Codes Governance Review and its proposed timeline. The majority of the proposals were already being applied within the UNC process, though the review was still required to ensure consistency. Responses to the consultation were requested by 25 November 2012.

RH requested that DI ensure the licence changes are brought to the attention of the RIIO teams to ensure a consistent approach.



TD asked if any parties were considering raising a modification to bring the ACS, and by implication non-code user pays services into the UNC since timescales were short to meet Ofgem's suggested implementation date of April 2013. DI advised that Ofgem will discuss this issue with Transporters.

TD asked if the Panel wanted to respond to the consultation. RH felt that this would be appropriate. Members requested that the Secretary prepare a draft response to the Ofgem consultation for review at the next meeting.

TD indicated that the UNC modification templates were being reviewed and proposed amendments would be presented at the next Panel meeting.

b) Code of practice KPIs

TD presented the previous quarter's KPIs.

**130.11 Conclude Meeting and Agree Date of Next Meeting**

10:30 15 November 2012, at the ENA.